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18 **UNITED STATES DISTRICT COURT**  
19 **CENTRAL DISTRICT OF CALIFORNIA**  
20 **EASTERN DIVISION**

21 IN RE DDI CORP. SECURITIES ) No. CV-03-7063-SGL (SHx)  
22 LITIGATION )  
23 ) **[PROPOSED] ORDER**  
24 ) **AUTHORIZING DISTRIBUTION**  
25 ) **OF NET SETTLEMENT FUND**  
26 )  
27 ) Date: June 16, 2008  
28 ) Time: 10:00 AM  
Courtroom: 1, Riverside

1 WHEREAS, by its Final Order and Judgment dated March 30, 2007, this  
2 Court approved the terms of the Stipulation of Settlement dated as of November 17,  
3 2006 (the "Stipulation") and the Plan of Allocation for distributing the settlement  
4 proceeds to the Settlement Class Members; and

5 WHEREAS, this Court had directed the parties to consummate the terms of  
6 the Stipulation and Plan of Allocation; and

7 WHEREAS, the \$4,350,000 cash settlement proceeds had previously been  
8 deposited by Defendants into the escrow account maintained by The Garden City  
9 Group, Inc. ("GCG"), the Claims Administrator for the Settlement, on behalf of the  
10 Settlement Class (the "Settlement Fund") following the Court's preliminary  
11 approval of the Settlement; and

12 WHEREAS, as set forth in the Notice of Pendency and Proposed Settlement  
13 of Class Action (the "Notice"), the deadline for Settlement Class Members to  
14 submit Proof of Claim and Release forms ("Proofs of Claim") in order to  
15 participate in the distribution of the Settlement Fund was April 6, 2007; and

16 WHEREAS, in satisfaction of due process requirements, all Settlement Class  
17 Members who filed claims that were in any way ineligible or deficient were: (i)  
18 informed that their claims were ineligible or deficient; (ii) were given opportunities  
19 to correct any deficiency prior to their claims being finally rejected, or to contest  
20 the determination as to the deficiency by requesting a hearing before the Court; and

21 WHEREAS, the process of reviewing all Proofs of Claim has been  
22 completed; and

23 WHEREAS, Lead Counsel now seeks authorization to distribute the  
24 proceeds of the Settlement Fund to Authorized Claimants, after deduction of any  
25 taxes approved by this Order; and

26 WHEREAS, this Court has retained jurisdiction of this Action for the  
27 purpose of considering any further application or matter which may arise in  
28 connection with the administration and execution of the Settlement and the

1 processing of Proofs of Claim and the distribution of the Net Settlement Fund to  
2 the Authorized Claimants;

3 NOW, THEREFORE, upon reading and filing: (i) the Affidavit of Ellen E.  
4 Riley (the "Riley Affidavit") of GCG; (ii) the Declaration of Andrew L. Zivitz of  
5 Schiffrin Barroway Topaz & Kessler, LLP, Lead Counsel for Plaintiffs and the  
6 Settlement Class; and upon all prior proceedings heretofore had herein, and after  
7 due deliberation, it is hereby

8 ORDERED, that the administrative determinations of GCG accepting the  
9 claims as indicated on the computer printout of accepted claims submitted and  
10 described in the Riley Affidavit, calculated under the proposed Plan of Allocation  
11 contained in the Notice, including claims submitted after April 6, 2007 be and the  
12 same hereby are approved, and said claims are hereby accepted; and it is further

13 ORDERED, that the administrative determinations of GCG rejecting the  
14 claims as indicated on the computer printout of rejected claims submitted with and  
15 described in the Riley Affidavit under the proposed Plan of Allocation contained in  
16 the Notice be and the same hereby are approved, and said claims are hereby  
17 rejected; and it is further

18 ORDERED, that payment be made from the Settlement Fund to the Internal  
19 Revenue Service for the proper amount of taxes due and owing on the interest  
20 earned on the Settlement Fund while in escrow, if any; and it is further

21 ORDERED, that the balance of the Settlement Fund after deducting the  
22 payments previously allowed and set forth herein (the "Net Settlement Fund") shall  
23 be distributed to the Authorized Claimants listed on the computer printout  
24 submitted with the Riley Affidavit under the proposed Plan of Allocation in  
25 proportion to each Authorized Claimant's Recognized Loss as compared to the  
26 total Recognized Loss of all accepted claimants as shown on such printout; and it is  
27 further

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1       ORDERED, that the checks for distribution to the Authorized Claimants  
2 shall bear the notation "CASH PROMPTLY, VOID AND SUBJECT TO RE-  
3 DISTRIBUTION 180 DAYS AFTER DISTRIBUTION DATE." Lead Counsel  
4 and GCG are authorized to take appropriate action to locate and/or contact any  
5 Authorized Claimant who has not cashed his, her or its check within said time; and  
6 it is further

7 ORDERED, that after six (6) months following the initial distribution of the Net  
8 Settlement Fund to Authorized Claimants and after appropriate efforts have been  
9 made by either Lead Counsel or GCG for the Authorized Claimants to cash their  
10 checks, Lead Counsel is authorized to distribute any funds remaining in the Net  
11 Settlement Fund by reason of returned or unpaid checks or otherwise after payment  
12 of any unpaid costs or fees incurred in administering the Net Settlement Fund for  
13 such re-distribution, to Authorized Claimants who have cashed their checks,  
14 provided that they would receive at least \$10.00 in such re-distribution based on  
15 their Recognized Loss, and provided that Lead Counsel determines a re-distribution  
16 should be undertaken. If after six (6) months after such re-distribution any funds  
17 shall remain in the Net Settlement Fund or if insufficient funds remain to undertake  
18 re-distribution, then Lead Counsel shall distribute such balance to the Legal Aid  
19 Foundation of Los Angeles, 1102 Crenshaw Boulevard, Los Angeles, California  
20 90019 (phone no. (323) 801-7915); and it is further

21       ORDERED, that the Court finds that the administration of the Settlement  
22 and the proposed distribution of the Net Settlement Fund comply with the terms of  
23 the Stipulation and the Plan of Allocation and that all persons involved in the  
24 review, verification, calculation, tabulation, or any other aspect of the processing of  
25 the claims submitted herein, or otherwise involved in the administration or taxation  
26 of the Settlement Fund or the Net Settlement Fund are released and discharged  
27 from any and all claims arising out of such involvement, and all Settlement Class  
28 Members, whether or not they are to receive payment from the Net Settlement


1 Fund are barred from making any further claims against the Net Settlement Fund or  
2 the Released Persons beyond the amount allocated to them pursuant to this Order;  
3 and it is further

4 ORDERED, that GCG is hereby authorized to discard paper or hard copies  
5 of Proofs of Claim and supporting documents not less than one (1) year after the  
6 initial distribution of the Net Settlement Fund to the eligible claimants and  
7 electronic or magnetic media data not less than three (3) years after the initial  
8 distribution of the Net Settlement Fund to the eligible claimants; and it is further

9 ORDERED, that this Court retain jurisdiction over any further application or  
10 matter which may arise in connection with this action; and it is further

11 ORDERED, that claims submitted after May 2, 2008 may be accepted only  
12 for excusable neglect on the part of the claimant, as determined by Lead Counsel.

13 Dated: 7-14, 2008  
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16 THE HONORABLE STEPHEN G. LARSON  
17 UNITED STATES DISTRICT JUDGE  
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